

RECOVERY AUDIT CONTRACTOR

OPEN DOOR FORUM

April 28, 2005

2:00PM – 4:00PM

I. Background

A 3 year demonstration project to evaluate the savings to the Medicare program when Recovery Audit Contractors (RACs) are used to identify underpayments and recover overpayments (Section 306 MMA)

- Claims Review RAC
- MSP RAC

II. Recovery Audit Contractors

Claims Review Contractors

California: PRG Schultz International, Inc.
New York: Connolly Consulting
Florida: Health Data Insights

MSP Contractors

California: Diversified Collection Services
Florida: Public Consulting Group

III. Medicare Secondary Payer RAC

RACs identifying MSP occurrences will only identify situations where another employer or insurer should have paid primary on the claims: (will not identify situations involving workman's compensation, automobile cases, liability cases, VA benefits or Federal Black Lung benefits)

- Will request remuneration from the employer or other insurer (*Not the provider*)

IV. Claims Review RAC

- Will **NOT** conduct prepayment reviews, actively look for fraud, or identify overpayments related to the correct coding of evaluation and management codes
- Will review claims Medicare has paid to identify situations where Medicare has paid incorrectly (3 fiscal years worth of claims data)
- Will use their proprietary software, experiences and resources to identify overpayments as well as the CMS complex medical review process which includes reviewing medical records (potentially onsite)

V. Provider Impact

- Providers have the right to discuss issues with the RAC
- Administrative Appeal Rights remain the same
 - If the provider is successful at the first appeal level the RAC does not receive payment for the overpayment identified.
- Provider Repayment Process does not change

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VI. Checks & Balances

CMS is establishing an internal control function to prevent determinations that do not comport with Medicare policies.

VII. Report to Congress

- A Report to Congress is due no later than 6 months after the end of the demonstration.
- CMS is in the procurement process to select an independent evaluation contractor.